

Message Text

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63

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 AGR-10 EB-07

COME-00 TRSE-00 OPIC-06 AID-05 /080 W

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R 221621Z AUG 75

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 978

INFO AMEMBASSY BOGOTA

AMEMBASSY QUITO

AMEMBASSY PANAMA

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USCINCSO

USIA WASHDC

UNCLAS TEGUCIGALPA 3676

E.O. 11652: N/A

TAGS: EINV, PINT, EAGR, HO

SUBJECT: MEDIA REACTION TO CANCELLATION OF FRUIT COMPANIES
CONCESSIONS

REF: TEGUCIGALPA 3626, 3644

1. LIBERAL TIEMPO PRINTED THREE INTERVIEWS IN ITS
AUGUST 20 EDITION. RAMON VILLEDA BERMUDEZ, LIBERAL PARTY
LEADER, STATED THAT CANCELLATION OF THE BANANA CONCESSIONS
WAS ACT OF GREAT SIGNIFICANCE FROM THE VIEWPOINT OF NATIONAL
SOVEREIGNTY EVEN THOUGH IT DID NOT BENEFIT THE NATION OR THE
WORKERS ECONOMICALLY. HE SAID THAT HE DID NOT BELIEVE THAT
FOREIGN INVESTORS WOULD BE WORRIED BY THE ACTION.
ATTORNEY GENERAL SERAPIO HERNANDEZ CASTELLANOS STATED THAT
DECREE 253 CANCELLING THE CONCESSIONS WAS THE "MOST IMPORTANT
ACT IN THE LIFE OF THE REPUBLIC BECAUSE IT BROUGHT ABOUT
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OUR ECONOMIC INDEPENDENCE THAT WE HAVE BEEN GIVING AWAY,

ALONG WITH OUR NATURAL RESOURCES, FOR 150 YEARS." MINISTER OF FINANCE PORFIRIO ZAVALA SAID THAT THE CANCELLATION OF THE DECREE WOULD BENEFIT THE COUNTRY BECAUSE THE TAX RATE ON THE COMPANIES ACTIVITIES WOULD RISE FROM 30 TO 40 PERCENT.

2. CONSERVATIVE LA NOTICIA AUGUST 20 EDITION CARRIED TWO INTERVIEWS. ROBERTO ARELLANO BONILLA, THE UNCLE OF OSWALDO LOPEZ ARELLANO, CALLED DECREE 253 AN ACTION THAT ESTABLISHED " THE ECONOMIC INDEPENDENCE OF THE HONDURAN PEOPLE". EX-FONMIN JOSE ANGEL ULLOA COMMENTED THAT THE CONCESSIONARY SYSTEM HAD CREATED A STATE WITHIN A STATE AND THAT IT HAD BEEN ESSENTIAL TO ALTER THAT SITUATION.

3. CONSERVATIVE LA PRENSA PRINTED AN INTERVIEW WITH FERNANDO LARDIZABAL, PRESIDENT OF THE FEDERATION OF LANDOWNERS AND CATTLEMEN (FENAGH), IN ITS AUGUST 21 EDITION. LARDIZABAL STATED THAT THE ACTION HAD BEEN WISE AND WOULD CREATE AN ATMOSPHERE OF EQUAL TREATMENT FOR ALL BUSINESS ENTERPRISES. HE SUGGESTED THAT A COMMISSION BE SET UP TO STUDY THE STRUCTURE OF THE PROPOSED HONDURAN BANANA CORPORATION.

4. LA NOTICIA CARRIED THE COMMENTS OF ARCHBISHOP SANTOS IN ITS AUGUST 21 EDITION. HE SAID THAT THE DECREE WAS A HIGHLY PATRIOTIC ACT BECAUSE IT WILL ALLOW HONDURAS TO EMERGE FROM ITS POSITION OF ECONOMIC DEPENDENCY. HE ALSO SAID THAT THE CANCELLATION OF THE CONCESSIONS COULD BE THE "START OF A PROCESS OF RECUPERATING OUR NATURAL RESOURCES PRESENTLY IN THE HANDS OF FOREIGNERS."

5. COMMENT: THE WAVE OF INTERVIEWS AND EDITORIALS ON THE CANCELLATION OF THE BANANA CONCESSIONS HAS STARTED TO RECEDE. IN FACT THE MORNING PAPERS OF AUGUST 22 DID NOT CARRY STORIES ON THE MATTER. IT IS PROBABLE THAT THE COVERAGE WILL CONTINUE TO LESSEN. WITH THE PASSAGE OF TIME UNLESS OR UNTIL DIFFERENCES DEVELOP BETWEEN THE COMPANIES AND THE GOVERNMENT ON THE APPLICATION OF THE DECREE.
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